

**Subpart D—Servicing Responsibilities**

- 257.301 Cross-reference.  
 257.303 Prohibition on subordinate liens during first 5 years.

**Subpart E—Enforcement**

- 257.401 Notice of false information from mortgagor-procedure.  
 257.403 Prohibitions on interested parties in insured mortgage transaction.  
 257.405 Mortgagees.

AUTHORITY: 12 U.S.C. 1701z-22; 42 U.S.C. 3535(d).

SOURCE: 75 FR 1691, Jan. 12, 2010, unless otherwise noted.

**Subpart A—HOPE for Homeowners Program—General Requirements****§ 257.1 Purpose of program.**

The HOPE for Homeowners (H4H) program is a temporary program authorized by section 257 of the National Housing Act, established within the Federal Housing Administration (FHA) of the Department of Housing and Urban Development (HUD) that offers to homeowners and existing loan holders (or servicers acting on their behalf), FHA insurance on refinanced loans for distressed borrowers to support long-term sustainable homeownership by, among other things, allowing homeowners to avoid foreclosure. The H4H program is administered by HUD through FHA. As used in this subpart, the terms HUD and FHA are interchangeable.

**§ 257.3 Scope of part.**

(a) *Core requirements.* This subpart establishes the core requirements for the H4H program.

(b) *Basic program parameters.* (1) FHA is authorized to insure eligible refinanced mortgages under the H4H program commencing no earlier than October 1, 2008. The authority to insure additional mortgages under the H4H program expires September 30, 2011.

(2) Under the H4H program, an eligible mortgagor may obtain a refinancing of his or her existing mortgage(s) with a new mortgage loan insured by FHA, subject to conditions and restrictions specified in section 257 of the National Housing Act and requirements established by HUD.

(c) *Other applicable requirements.* Except as may be otherwise provided by HUD, the provisions and requirements in the FHA regulations at 24 CFR part 203, which generally are applicable to all FHA-insured single-family mortgage insurance programs, also apply with respect to the insurance of a refinanced eligible mortgage under the H4H program.

**§ 257.5 Approval of mortgagees.**

(a) *Eligibility.* In order for a mortgage to be eligible for insurance under this part, the mortgagee originating the mortgage loan and seeking mortgage insurance under this part shall have been approved by HUD pursuant to 24 CFR part 202.

(b) *Mortgagee whose loan is to be refinanced.* A mortgagee holding or servicing an eligible mortgage to be refinanced and insured under section 257 of the National Housing Act is not required to be an approved mortgagee as required in paragraph (a) of this section, unless the mortgagee seeks to be the originator of the refinanced mortgage to be insured by FHA.

**§ 257.7 Definitions.**

As used in this part and in the H4H program, the following definitions apply.

*Act* means the National Housing Act (12 U.S.C. 1701 *et seq.*).

*Allowable closing costs* mean charges, fees, and discounts that the mortgagee may collect from the mortgagor as provided at 24 CFR 203.27(a).

*Board* means the Advisory Board for the HOPE for Homeowners program, which is comprised of the Secretary of HUD, the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System (Federal Reserve Board), and the Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation or the designees of each such individual.

*Contract of insurance* means the agreement by which FHA provides mortgage insurance to a mortgagee.

*Default and delinquency fees* means late charges contained in a mortgage/security instrument for the late or